



**REQUEST FOR PROPOSAL
PLAN INVESTMENT ADVISORY SERVICES
Addendum No. 01- Final
August 24, 2020**

**1 Town Square
Murrieta, CA 92562**

This Addendum forms a part of the Request for Proposal (RFP) and modifies the original RFP dated August 13 2020. Please acknowledge receipt of this Addendum. Failure to do so may subject firms to disqualification.

The following questions were received. The answers to each question follows.

1. May we receive a copy of the plan investment lineup for each plan with tickers, assets by fund, expense ratio and revenue sharing?
Answer: See the attachments.
2. May we receive a copy of Nationwide and ICMA plan sponsor fee disclosures?
Answer: See the attachments.
3. The RFP ask for 5 client references. We find that references are called once we reach the finalist stage. Out of respect for our client's time, would it be acceptable to provide a list of representative clients at this stage and provide client contact information if we make it to the finalist round?
Answer: While the information is requested at this stage in the process, references will not be contacted unless you are a finalist.
4. There appears to be four separate 401a plans with ICMA that have less than 6 employees. What was the reason for the plans being set up this way?
Answer: Three of the groups and the City Manager have negotiated 401a Plans. A different Plan was established for each group. The City is open to combining the Plans if it is allowable and in the best interest of the Plan members.

5. May we receive the plan documents for each plan?

Answer: See the attachments.

6. Will the City provide governance documents and existing committee structure for reference prior to receiving our submission? Some examples would be the by-laws regarding retirement benefits, committee structures related to retirement benefits, etc. Receiving these documents would provide strong context for our answers.

Answer: The City does not have a committee. The intent is to create a committee and all necessary governing documents. See response to Question #7.

7. Please clarify if the City is looking for a 3(38) discretionary investment manager as a fiduciary as outlined in 4.1 Scope of Work, Goals and Objectives of the Plan Review in number 19, or as a co-fiduciary as implied by question numbers 2, 5, 13, 14, and 16. We are prepared to act as a discretionary investment manager fiduciary as detailed in Section 3(38) of ERISA, but if we do then the following questions would be rendered null and void. An independent investment manager (§3(38) Investment Manager) has discretion so they do not render advice or make recommendations, they make decision based on the goals and objectives of the plan sponsor and inform the sponsor of the decisions made. In addition, there would be no need for an investment committee if our role was that of a discretionary investment manager.

2) Act as an independent fiduciary and provide investment advice to the City with respect to decisions; and make decisions where necessary, related to the Plan's investment of assets for the Plans.

5) Compose and develop City Policy delegating and formalizing the duties involved as a plan fiduciary.

13) Make recommendations of possible alternatives to funds when in conjunction with the Investment Committee, when it is determined a change in fund line-up is necessary.

14) Be available as requested, but not less than two times per year to meet with the Investment Committee or other people designated by the City to present the quarterly reports; and to assist committee with any questions or issues that may arise.

16) Act as a fiduciary on all investment options by providing investment advice on a regular basis to the Plans regarding the plan assets in accordance with the provisions in this Agreement.

Answer: The City is seeking a 3(38) discretionary investment manager but is open to proposals for a co-fiduciary model. Responders may choose to respond to one or both. If responding to the 3(38) model only, please note in your proposal if certain areas are not applicable and why.

8. Are you looking for us to provide recordkeeping systems and services is number 22 in 4.1 Scope of Work, Goals and Objectives of the Plans Review. Firm does not provide keeper services. We assume that this is an item that we would simply list as an exception.

22) Perform record keeping services, such as security systems, tax and accounting services and information provided to participants and the City.

Answer: If you do not provide these services, note an exception.

9. In addition to meeting all other requirements of the RFP, all responding Proposers shall furnish verifiable evidence that their firm and personnel, at a minimum, meet the following qualifications.

- a Proposer must have a business license from the City prior to execution of the Agreement.
- b Proposer has completed as least five (5) similar contracts within the last five (5) years.

Please explain the meaning of “similar contracts”. We have worked with government entities on similar projects, but wanted to make sure we understood the context.

Answer: The City is in search of a firm that has performed the same or substantially similar work with other cities or other government entities.

10. Are the assets of the Retiree Health Plan managed similarly to those of the Deferred Compensation plan? Do these funds have a separate investment policy?

Answer: There is currently no relationship in the management of the Retiree Health Plan and the Deferred Compensation Plans. The City seeks to develop investment policies for all of these Plans.

11. The RFP outlines a desire for the consultant to operate as a 3-38 discretionary manager. Does the City currently have a discretionary relationship with their consultant? Additionally, does the City desire a discretionary relationship to cover all plans, including the health plan?

Answer: The City does not currently have a discretionary relationship with a consultant.

12. Item #22 in the Scope of Work requests that the proposer “Perform record keeping services, such as security, tax and accounting services, and information provided to participants and the City.” We work with and monitor service providers; however, we do not provide recordkeeping services, nor do we partner with any recordkeeping firms. Can you please clarify your expectations around this requirement?

Answer: If you do not provide these services, note an exception.

13. Please confirm that the City would like four (4) hard copies delivered. Considering the ongoing COVID-19 situation, we have seen a number of requests for hard copies reversed to soft copy format only. We will respond either way, but just looking to confirm before we ship materials.

Answer: Hard copies will not be required. Please submit a soft copy to jchristoffersen@MurrietaCa.gov.

14. Are you able to provide your most recent plan sponsor fee disclosure from the current record keepers, and/or the current service agreement?

Answer: See the attachments.

15. Are you able to provide a list of current investment options, including the ticker symbols and assets included in each so we may customize our proposal for the City’s Plan? Noting, if

you have the above fee disclosure available, most of this information may already be included there.

Answer: See the attachments.

16. Do you have an Investment Policy Statement currently. And if so, are you willing to share it?

Answer: The City is seeking assistance in developing an Investment Policy.

17. Do you have a Committee Charter currently. And if so, are you willing to share it?

Answer: The City does not have a committee. The intent is to create a committee and all necessary governing documents.

18. What is the biggest issue the City is currently facing?

Answer: Related to this RFP process, due to financial constraints, the City is operating with reduced staffing in all areas, including Finance and Human Resources. The limitations on staffing creates challenges in staying on top of all key areas of responsibility in general, and specifically dedicating staff to and providing adequate training in specialized areas such as Fund Management.

19. For the 457(b) and 401(a) Plans, has the City conducted a fee benchmarking review, target date fund review, and/or an investment menu review? When were these last completed?

Answer: The City has not conducted a fee benchmarking review.

20. How many meetings per year should the hired investment consultant expect to attend?
a) Is the meeting schedule for 2020-2021 available? If so, can you please provide it?

Answer: The City does not currently have a schedule of meetings. One of the objectives is to establish a committee and a meeting schedule.

21. In light of current events surrounding COVID-19, would your organization be willing and able to accept an electronic RFP submission (via email) since the vast majority of our firm's workforce is currently working from home?

Answer: The City now requests electronic submittal with no hard copies. The proposal can be sent electronically to jchristoffersen@MurrietaCa.gov.

22. Do you currently retain an investment consultant?

- a) Is your current consultant being invited to rebid?
b) If possible, can you please provide the current fee being paid for investment advisory services?

Answer: The City does not have an investment advisor for the Plans under consideration.

23. Do you have a current advisor?

Answer: The City does not have an Advisor.

24. If so, when is the contract end date for the current advisor?

Answer: The City does not have an active contract.

25. What is the fee being charged by the current advisor?

Answer: The City does not have an Advisor.

26. What is the reason for issuing this RFP?

Answer: The purpose of this RFP is to retain Plan Investment Advisory Services.

27. Are there any areas where you are seeking improvement, if a new advisor is selected?

Answer: The City does not currently have an Advisor.

28. Could you please send us the fund lineups for all plans that would be serviced under the agreement?

Answer: See the attachments.

29. Are you looking to conduct an RFP for recordkeeping services?

Answer: Not at this time. However, that would be considered if it is recommended that we do so.

30. Is the City currently holding onsite employee education meetings, and if not, when do you anticipate holding onsite employee education meetings again?

Answer: The City is not currently holding on-site meetings. A timeframe for reinstatement of on-site meetings has not been determined.

31. With the COVID-19 pandemic, most of our offices are closed and we have the majority of our staff working remotely. Would it be possible for us to submit this RFP electronically only or would hard copy submission still be preferred?

Answer: Hard copies are not required. A soft copy can be sent to jchristoffersen@MurrietaCa.gov.

32. Page 2- section 1 states, "The City of Murrieta is seeking proposals from fiduciary consulting firms with demonstrated experience in Deferred Compensation (457(b) and 401(a)) and Retiree Health Plans, including Plan design and administration, record keeping, investment option selections, monitoring and trustee/fiduciary education"

a Is this RFP to search for an advisor that would help find and manage a record-keeper or are you looking for a bundled approach for advisor services and recordkeeping services?

Answer: The City is in search of an advisor, but is interested in determining if any advisors have the ability to provide recordkeeping services as well.

33. Page 8 mentions that the City utilizes Nationwide and ICMA-RC as recordkeeper for the plans. Is the goal to consolidate to one recordkeeper for ongoing contributions?

Answer: The City seeks to determine if that is an option but a decision to consolidate has not been reached.

34. Page 14 – question 22, asks about our ability to create custom benchmarks. What custom benchmarks has the current advisor created today?

Answer: The City does not currently have an advisor.

35. Page 14 – question 24, asks about our ability to provide asset allocation models. What custom model has the current advisor created today and are they unitized?

Answer: The City does not currently have an advisor.

36. The form on page 16 is asking for us to provide our business license number. Is this referring to our FEIN?

Answer: This refers to a Murrieta Business License. You will only need to provide the number if you have this license already. Only the selected advisor will be required to obtain a Murrieta Business License.

END OF ADDENDUM NO. 01